

Message Text

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ACTION EUR-25

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C O N F I D E N T I A L USNATO 2866

E.O. 11652: GDS

TAGS: MCAP, EFIN, NATO

SUBJECT; BURDENSARING: FOLLOW-UP ON MILITARY PROCUREMENT DATA

REF: USNATO 2657

1. AS A FOLLOW-UP TO THE MAY 14 COUNCIL DISCUSSION OF THE

PROGRESS REPORT ON MILITARY PROCUREMENT BY NATO MEMBER
COUNTRIES IN THE US AND THE SYG'S PO/74/61 RECORDING FURTHER
ACTION REQUIRED (SEPTTEL), THE ECONOMIC DIRECTORATE
HAS ISSUED THE FOLLOWING NOTE CALLING ON ALL DELEGATIONS TO

SUBMIT COMPLETE AND FINAL STATISTICAL DATA ON FY 74 PURCHASES
BY THE END OF AUGUST.

2. QUOTE:

ECONOMIC DIRECTOR TE#

FINANCIAL PROBLEMS ARISING FROM THE

STATIONING OF UNITED STATES FORCES IN EUROPE

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(ITEM 2(D) OF PO/74/15, 15TH JANUARY 1974)

FOLLOWING THE DISCUSSION IN THE COUNCIL ON 14THE MAY OF
THE PROGRESS REPORT ON DEFENCE AND DEFENCE RELATED EXPENDITURE
MADE BY MEMBER COUNTRIES IN THE UNITED STATES(1), I HAVE SET OUT

BELOW THE FURTHER ACTION NECESSARY FOR THE PREPARATION OF THE NEXT REPORT TO BE MADE IN SOME FOUR MONTHS TIME. THE LATTER SHOULD AS FAR AS POSSIBLE CONTAIN FINAL DATA FOR THE FISCAL YEAR 1973/74 THAN CAN BE VERIFIED AS BEING IN FULL ACCORD WITH THE DIRECTIVES SET OUT IN THE SPECIAL QUESTIONNAIRE(2).

2. FOR THE NEXT PROGRESS REPORT TO BE PREPARED IN SEPTEMBER DELEGATIONS SHOULD SUBMIT REPLIES BY THE END OF AUGUST. THESE REPLIES SHOULD CONTAIN FINAL DATA FOR THE SECOND HALF OF 1973 AND ALSO FOR THE FIRST HALF OF 1974 SO FAR AS THIS IS POSSIBLE. IN INSTANCES WHERE DELAYS ARE LIKELY TO BE ENCOUNTERED, THIS SHOULD

NOT HOLD UP THE SUBMISSION OF DATA AVAILABLE FOR UP-DATING OR COMPLETION OF REPLIES SUBMITTED EARLIER. THE INFORMATION REQUESTED FROM COUNTRIES COVERS PAYMENTS MADE TO THE UNITED STATES ON A BILATERAL BASIS. PAYMENTS THAT ARE CHanneled THROUGH COMMONLY FUNDED PROGRAMMES AS LISTED IN ED/74/35(REVISED) SHOULD, WHEN REPORTED, BE CLEARLY DISTINGUISHED. A DOUBLE COUNTING OF SUCH PAY-

MENTS BY SHOWING THEM UNDER BOTH BILATERAL AND COMMONLY FUNDED HEADINGS MUST BE AVOIDED; SHOULD THIS HAVE OCCURRED IN THE PRELIMINARY

DATA REPORTED IN C-M(74)29 DELEGATIONS ARE REQUESTED TO NOTIFY THE INTERNATIONAL STAFF. INFORMATION ON PAYMENTS MADE THROUGH COMMONLY FUNDED PROGRAMMES WILL CONTINUE TO BE DEALT WITH SEPARATELY(3) DRAWING

WHENEVER POSSIBLE ON INFORMATION FROM THE AGENCIES CONCERNED.

3. AS MENTIONED IN PARAGRAPHS 3 AND 4 OF THE CURRENT PROGRESS REPORT (C-M(74)29) INFORMATION IN MANY INSTANCES IS INCOMPLETE AND IN CERTAIN CASES NO INFORMATION HAS YET BEEN REPORTED. THE MAIN GAPS TO BE FILLED ARE THE FOLLOWING:

(I) INFORMATION ON PAYMENTS MADE TO THE UNITED STATES BY THOSE COUNTRIES THAT SO FAR HAVE NOT PROVIDED ANY DATA ALONG THE LINES REQUESTED (FRANCE, CONFIDENTIAL

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ICELAND AND PORTUGAL). THE SUCCESS OF THE WHOLE EXERCISE DEPENDS UPON THE TOTAL SUM OF MEMBER COUNTRIES' DEFENCE EXPENDITURES IN THE UNITED STATES BEING AVAILABLE FOR COMPARISON WITH TOTAL UNITED STATES DEFENCE EXPENDITURES IN EUROPE. CONSEQUENTLY, IT IS OF CONSIDERABLE IMPORTANCE THAT TENTATIVE ESTIMATES FOR THESE THREE COUNTRIES BASED UPON INTERNATIONAL STAFF ASSUMPTIONS BE REPLACED BY DATA OF AN OFFICIAL CHARACTER THAT CAN BE VERIFIED.

(II) DETAIL OF PAYMENTS MADE TO THE UNITED STATES (AS REQUESTED IN THE SPECIAL QUESTIONNAIRE) FROM THOSE COUNTRIES (NORWAY AND TURKEY) THAT SO FAR HAVE ONLY

REPORTED TOTAL FIGURES ON BROAD AGGREGATES.
SUFFICIENT DETAIL FOR THE VALIDITY OF THE PAYMENTS TO
BE VERIFIED IS ESSENTIAL.

(III) TWO OF THE COUNTRIES (DENMARK AND GREECE) THAT HAVE
PROVIDED DETAILED REPLIES HAVE NOT YET REPORTED PAY-
MENTS MADE ON A FIRM TO FIRM BASIS. SUCH INFORMATION
SHOULD BE REPORTED AS SOON AS IT BECOMES AVAILABLE AND
ALL COUNTRIES SHOULD UP DATE SUCH INFORMATION WHEN
THIS BECOMES APPROPRIATE.

(IV) IN ADDITION TO THE ABOVE ONLY ONE COUNTRY (GREECE) HAS
SO FAR REPORTED PAYMENTS MADE TO THE UNITED STATES

COVERED BY THE SUPPLEMENTARY LIST OF COMMODITIES OF
POTENTIAL MILITARY USE PROVIDED BY THE UNITED STATES
AUTHORITIES AND CIRCULATED AS AN ADDENDUM TO THE SPECIAL
QUESTIONNAIRE(4). OTHER MEMBER COUNTRIES SHOULD TO THE
EXTENT POSSIBLE REPORT EXPENDITURES FALLING UNDER THIS
HEAD.

5. NEW OR REVISED DATE ON PAYMENTS REPORTED BY DELEGATIONS

SHOULD NOW BE FINAL FOR THE PERIOD JULY-DECEMBER 1973. FOR THE
PERIOD JANUARY-JUNE 1974 A DISTINCTION SHOULD BE MADE BETWEEN
DATA SUBMITTED THAT CAN BE CONSIDERED FINAL AND DATA ON PAYMENTS
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IN THIS PERIOD THAT ARE STILL SUBJECT TO CONFIRMATION.

6. FINALLY, IT IS CLEAR THAT IT WILL BE NECESSARY TO CONTINUE
TO SCRUTINISE IN DETAIL ALL DATA ON A COUNTRY BY COUNTRY BASIS IN
ORDER TO FACILITATE FURTHER REVIEWS OF THE PROBLEM TO BE MADE
BY THE UNITED STATES CONGRESS.

(SIGNED) Y. LAULAN

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- (1) C-M(74)29
 - (2) ANNEX TO PO/74/10, DATED 29TH JANUARY, 1974
 - (3) THE INTERNATIONAL STAFF WILL SHORTLY PREPARE A SECOND REVISE
OF ED/74/35 TO TAKE INTO ACCOUNT NEW DATA AND AMENDMENTS
RECEIVED.
 - (4) ED/74/20 DATED 23RD FEBRUARY, ALSO CIRCULATED AS ANNEX TO
PO/74/10 OF 29TH JANUARY
UNQUOTE.
MCAULIFFE.

NOTE BY OC/T: #AS RECEIVED.

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